



(15) Mike Kelly  
16<sup>TH</sup> November, 2016

NSW Planning and Assessment Commission

Dear Commissioners,

RE- DRAYTON SOUTH PROJECT

On behalf of the members of the Muswellbrook Chamber of Commerce, I submit the following for the Commissions consideration.

My name is Mike Kelly. I am a 35 year resident of Muswellbrook with a business that employs sixteen (16) people in Muswellbrook and four (4) in Western Australia. I am the President of the Muswellbrook Chamber of Commerce & Industry and have held that position for 17 of the last 20 years.

The current Chamber membership totals 140 businesses in the Muswellbrook LGA. These businesses are involved in all sectors of our local economy including Agriculture, Professional Services, Education, Community Services, Building and Construction, Tourism & Hospitality, Retail, Engineering, Viticulture, Food Processing, Power Generation and Mining.

Our Chamber has made submissions to the DPE and the PAC at every stage of this proposed development. These submissions are on record for this Commissions consideration and I won't repeat that detail now.

The Muswellbrook Chamber has consistently supported the Drayton South Project based on its' economic benefits, our experience with the Drayton Mine over thirty (30) years and our belief that conditions of consent would protect the environment and other land users. Our support was also based on the hope that the existing workforce and infrastructure could be transitioned to the new project ensuring continuity of economic input to Muswellbrook. We also felt a strong community connection with the Drayton employees and their families.

The opportunity for the retention of Drayton employees has now passed and the community is dealing with the impact. I have been pleased to hear reports that the retrenched employees have received entitlements which are said to be fair and even generous. We congratulate the Company on this and the Chamber stands ready to assist with the re-employment of local residents. The loss of these jobs has had an effect in other parts of the local economy with people leaving the area. Small companies that were reliant on the business they had with Drayton have also cut back and restructured. Thankfully to date we are not aware of business failures due to the Drayton closure.

The processing of this State Significant Development Application has been lengthy, to say the least, and it seems that no one is happy with the process. The Chamber shares the frustration of the Proponents and the Objectors. Nevertheless, we must all work within the planning regime that exists and do our best to ensure that the final decision will be workable for all parties.

The Chamber does not have the expertise in house or the funds that the Proponents and major Objectors have to address the technical & scientific arguments around this project. It seems that every assertion put by an expert on one side of the argument is refuted or discredited by an expert on the other side. I don't envy the Commissioners task to sort the fact from the fiction in their final determination. The Chamber takes the view that the DPE recommendations are based on objective evidence and provide the best chance of making a determination consistent with current planning regimes.

The Muswellbrook business community displays all the traits of the wider Hunter economy. It is diverse, very diverse. When you look at our Chamber membership you can see the broad range of business pursuits that we have. The Muswellbrook business mix has been diverse for many years and is becoming more so. We are 'Deliberately Diverse'. We know we can't have all the economic eggs in one basket. We know the world is changing and we are told that over the next three (3) or four (4) decades our economic base will move away from coal and its' supporting industries towards agriculture, education, hi-tech manufacturing, renewable energy, service industries, tourism and the like. The real challenge here is to fund this transition and maintain employment for a growing population. At the moment the coal industry, with its direct employment and its' two to three times multiplier in the local economy, is by far the largest part of our local economic pie. Coal is an export business and we need to supplement it, and perhaps ultimately replace it, with export businesses. The equine industry is partially an export business and must be fostered. However, it is hard to see how it and other industries would provide the same levels of employment in the future that mining does now. There is no alternative industry offering 500 jobs right now to replace the Drayton loss.

I would like to comment on public opinions and perceptions. In previous assessments the DPE recommended approval of Drayton South in the public interest. Previous PAC findings recommend refusal in the public interest. One presumes that these recommendations address the whole of the NSW public interest. That is understandable as the coal resource is owned by the public of NSW under the control of the NSW Government. Obviously, different sections of the public hold different views. After the DPE published its recommendation to approve Drayton South in September there was a comment in a Sydney newspaper by a supporter of the equine industry that – "the only people who support this project either work for Anglo or the DPE." Now I don't know if that is exactly what was said

but, if it is then, the person is grossly misinformed. All through this process the business community and the vast majority of Muswellbrook residents have supported the Drayton South Project. This support comes from people who understand the importance of the coal industry to their family, their friends and their way of life. Local people understand that they are either directly or indirectly dependent on Drayton and the other Upper Hunter Mines. It is unfortunate that most Muswellbrook people don't see the equine industry in the same light. Perhaps this is because the flow of economic benefits to the local economy are not so obvious. Or perhaps it is because the mining industry is obliged and committed to community engagement and the equine industry is not so inclined. There is evidence of Drayton's contribution to the Muswellbrook community in plain view. The Muswellbrook PCYC is housed in a building that was purchased in 1990 with community funds that came largely from Drayton Coal and its' employees. The building we are in today houses the Upper Hunter Conservatorium of Music - an organisation established in 1996 with a donation of \$10,000 by Drayton Coal. This organisation now provides musical education for over 1000 students across the Upper Hunter. Victoria Park with the Stan Thies Centre buildings are also a permanent reminder of the contribution to Muswellbrook infrastructure by Drayton Coal thirty (30) years ago. These contributions and many others resonate with the Muswellbrook community and help explain the support for Drayton.

If one only relied on the Sydney press for information then, it would be easy to come to the conclusion that the community was opposed to the equine industry. Although the equine industry is seen by some as aloof, exclusive or even elitist, it is not shunned by the Muswellbrook community. The Muswellbrook community has no desire to see the equine industry suffer or reduce. It is interesting that when the Muswellbrook Race Club staged a Gala Dinner for Gold Sponsors, there were thirty seven (37) sponsors in total. Of those only six (6) were directly involved in the equine industry and another six (6), I believe, had an indirect connection to the industry. The remainder were mining companies, industrial engineering companies and various businesses which have little or no commercial interest in horse breeding. This is a good example of what we have previously referred to as collaboration and interdependence between industry sectors. The Chamber hopes for continuing collaboration between all business sectors.

One final point about the planning process. The widespread dissatisfaction with the process is related to the uncertainty around buffer zones, the absence of consistent and readily identifiable areas where certain industries can and can't operate, the time taken to determine developments applications, existing exploration licences and the like. The Chamber would add another concern. This process costs a great deal of money which could be put to more productive purposes. Some time ago Anglo reported that they had spent \$70m on the process. It is probably substantially more now. In addition to this there is the undisclosed amount the equine industry has spent on consultants, lawyers and expert advisors. I guess this is their money and they can spend it as they please. However, we don't

know what the cost to the DPE and various Government departments that are spending our money to deal with this drawn out process. The Chamber urges the Commission to convey this concern to The Minister and Premier and request a review of the planning process for State Significant Developments as a matter of urgency. All business sectors need certainty for future investment and growth of our local economy.

The Chamber thanks the Commission for granting this public hearing and hopes for an approval of Drayton South with conditions which protect the environment and neighbouring businesses.

Yours sincerely,



President